

**REMARKS**

The Office Action dated September 16, 2008, has been received and carefully reviewed. The preceding amendments and the following remarks form a full and complete response thereto. The specification has been amended to correct basic informalities. Claims 1-21, 45, 51-52 and 55-61 have been cancelled without prejudice or disclaimer. Claims 22-43 and 62-64 were withdrawn. Claims 44, 46-50, and 53-54 are amended. New claims 65-77 have been added. Support for the amendments may be found, *inter alia*, at paragraphs [0010]-[0011], [0046]-[0048], [0060], [0109], [0146] and original claims 2, 10, 11, 12 and 45 of the present specification. No new matter has been added. Accordingly, claims 44, 46-50, and 53-54 and 65-77 are pending in the application and submitted for reconsideration.

Applicant's representatives greatly thank Examiners Kyle and Perry for taking the time to participate in a personal interview to discuss this application. The above-amendments and the below remarks are submitted based on those very helpful discussions. However, Applicant objects to the Interview Summary record issued on December 19, 2008, as incomplete and inaccurate. While it is agreed that no agreement was reached, the description of the interview omits several important aspects of the discussions including, as one example, that Examiner Perry indicated that by including execution data in the claims, at least Gatto could be overcome. Further, the Summary record misstates what the Examiners stated was obvious and what was old and well known. Applicant respectfully requests that the Interview Summary record be withdrawn and replaced with a more accurate Summary and that

any statements made in the summary regarding the prior art be substantiated with documentation.

Claim 44 was rejected under 35 U.S.C. § 102(b) as being anticipated by Lupien et al. (US 5,101,353, hereinafter “Lupien”) or, in the alternative, under 35 U.S.C. § 103(a) as obvious over Lupien, and further in view of Gatto (US 6,510,419, hereinafter “Gatto”). Claims 45-50 and 53-54 were rejected under 35 U.S.C. § 103(a) as obvious over Lupien and further in view of Gatto. Applicant respectfully traverses the rejections and submits that claim 44, 46-50 and 53-54 recites subject matter not disclosed or suggested by the combination of cited prior art.

Claim 44, upon which claims 45-50 and 53-54 depend, defines a computer-implemented method for generating a securities transaction recommendation to participants in a financial trading system. The method includes a step of, at a first computer, receiving historical transaction data relating to a plurality of executed securities transactions over an electronic data network. The transaction data for each securities transaction includes data relating to a security name, price of the securities transaction, a size of the securities transaction, a type of the securities transaction, and an identification of a party to the executed securities transaction. The method also includes a step of receiving data relating to a proposed securities transaction. The securities transaction proposal data includes the security name, price, transaction size, transaction type and an identification of a party proposing the proposed securities transaction. The method also includes a step of determining which executed securities transactions of the transaction data are relevant to the proposed securities transaction;

and generating a recommendation relating to the proposed securities transaction based on the transaction data of the executed securities transactions determined to be relevant to the proposed securities transaction. The recommendation is generated by weighting each securities transaction of the securities transactions determined to be relevant based on at least a measured level of expertise of the identified party associated with the executed securities transaction, and aggregating the weighted data.

First, Applicant respectfully submits that the rejection under 35 U.S.C. § 102(b) as anticipated by Lupien is now moot in light of the amended claim. Specifically, the Office has acknowledged that Lupien does not teach the recited weighting. Office Action, p. 5. Applicant respectfully requests that this rejection be withdrawn.

Second, the combination of Lupien and Gatto fail to disclose or suggest each and every feature of claim 44.

Lupien is directed to an automated securities trading and portfolio management system for use by investment managers. The system is designed to increase liquidity in the secondary markets for securities and to generate incremental returns for security portfolios. See Lupien, Summary of Invention. Lupien seeks to add liquidity to the market by taking advantage of large, diversified portfolios held by long term investors. Lupien, Abstract. Lupien's system receives portfolio objectives, and within those objectives, Lupien automatically executes trades on behalf of the investor. Lupien, Abstract. Lupien is directed to a system that is to be used by institutional investors and is particularly useful in managing large portfolio management portfolios. Lupien, Summary of Invention. Generally, the system is concerned with determining, by application of various investment criteria to individual securities, industries and market

sectors, when a profit may be achievable in a short period of time by buying or selling a particular security in a user's portfolio considering competitive purchase and sale orders in the open market place. See, e.g., Col. 3-4 of Lupien. That is, Lupien looks at market data and determines if an investment might meet a user's objectives. Lupien does not evaluate the executed transactions of other traders by the methodology claimed in claim 44 of the present invention in order to generate a recommendation for a proposed transaction.

Gatto discloses a system for measuring, analyzing and tracking analyst earnings estimates and recommendations. Gatto, Abstract. Gatto seeks to create a custom, composite estimate based on the various analyst estimates. Gatto, Abstract. Gatto allows a user to set various parameters and metrics to visualize analyst estimates. Gatto, Abstract. Gatto fails to cure the deficiencies of Lupien. Gatto is solely focused on analyst predictions, i.e., estimates and recommendations relating to future performance. Gatto, abstract and col. 2, ll. 59-67 (stating that estimates are predictions, and exemplified by 9-12 months in the future). The estimates of Gatto do not relate to actions, as in actions speak louder than words. There have been a number of investment firm scandals that have been fueled by analyst recommendations that did not match up with the actual executions of the analysts. Specification, ¶ [0005]. Gatto fails to disclose or suggest a method for generating a recommendation by looking at historical transaction data for relevant executed securities transactions over an electronic data network, wherein the recommendation is generated by weighting each transaction of the executed transactions determined to be relevant based on at least a measured level of expertise of the trading entity associated with the executed

transaction, and aggregating the weighted data. For this reason, the rejection to claims 44, 46-50 and 53-54 must be withdrawn.

Further, other independent grounds for allowing claim 44 exist. As noted above, Lupien fails to disclose or suggest the recited weighting. Gatto fails to cure these deficiencies. In particular, Gatto considers reports of analysts. The point of an analyst is to be a neutral, third party. By definition, an analyst is not the trading entity, and thus Gatto teaches away from evaluating the expertise of the trading entity by directing those in the art to focus on analyst predictions. Fundamentally, the approach of Gatto relies on trust. Gatto trusts that analyst estimates and recommendations are what they would actually do, and Gatto trusts that analysts are acting as neutral third parties. The present application has found that analysts cannot be trusted. Specification, ¶ [0005]. The claimed invention is intended to minimize, if not eliminate, the need to trust others in obtaining investment advice. The claimed invention is directed to the use of historical, executed data of other traders – i.e., data that lacks a personal opinion. The claimed invention focuses on the trading entity itself.

For the foregoing reasons, Applicant respectfully submits that the rejection to claims 44, 46-50 and 53-54 are improper. Applicant respectfully requests that the rejections be withdrawn and these claims be allowed.

Claims 65-77 are new, and patentable for at least the reasons above with respect to claim 44.

### **Conclusion**

In view of the foregoing amendments and remarks, Applicant respectfully submits that this application is in condition for allowance and should now be passed to issue.

A Notice of Allowance is respectfully solicited.

If any extension of time is required in connection with the filing of this paper and has not been requested separately, such extension is hereby requested.

The Commissioner is hereby authorized to charge any fees and to credit any overpayments that may be required by this paper under 37 C.F.R. §§ 1.16 and 1.17 to Deposit Account No. 02-2135.

Respectfully submitted,

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